

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Rulemaking on the Commission's Own Motion to Govern Open Access to Bottleneck Services and Establish A Framework for Network Architecture Development of Dominant Carrier Networks.

Rulemaking 93-04-003  
(Filed April 7, 1993)

Investigation on the Commission's Own Motion into Open Access and Network Architecture Development of Dominant Carrier Networks.

Investigation 93-04-002  
(Filed April 7, 1993)  
(Verizon UNE Phase)

**ADMINISTRATIVE LAW JUDGE'S RULING  
SETTING SCOPE AND SCHEDULE AND PROVIDING NOTICE AND  
OPPORTUNITY TO BE HEARD TO PACIFIC BELL TELEPHONE COMPANY**

This ruling sets the scope and schedule for the final portion of the Verizon Unbundled Network Element (UNE) Phase of Rulemaking (R.) 93-04-003/Investigation (I.) 93-04-002 (commonly known as the "Verizon UNE Phase" of the Open Access Network Architecture Development (OANAD) proceeding). The ruling also provides Pacific Bell Telephone Company (Pacific Bell) (d/b/a AT&T, formerly SBC) and other parties notice and an opportunity to be heard on the issue of whether the reexamination process adopted for Pacific Bell in Decision (D.) 99-11-050 should be revised.

**Scope**

In this phase, the Commission will consider the following issues:

1. Verizon's calculation of true-up amounts.

2. Whether payment of the true-up will have negative effects on the competitive local exchange market or constitute financial hardship for certain competitive local exchange carriers (CLCs).
3. Whether the Commission should order mitigation, including but not limited to long-term payment options and interest limits, to alleviate possible negative effects of true-up payments.
4. What process should the Commission use for future reexamination or adjustment of UNE rates adopted for Verizon in D.06-03-025 and for Pacific Bell in D.04-09-063? This issue involves whether the Commission should:
  - a) use a price cap mechanism, as suggested by the California Association of Competitive Telephone Companies (CALTEL), and use it to update UNE rates for both Verizon and Pacific Bell,<sup>1</sup>
  - b) perform future updates of Verizon's UNE rates using the same procedure established for Pacific Bell in D.99-11-050, and
  - c) revise rates by adjusting inputs to the HM 5.3 model used in D.06-03-025 for Verizon and D.04-09-063 for Pacific Bell.

At CALTEL's suggestion, the scope of the case, as shown in Item 4 above, shall include consideration of whether any reexamination process adopted for Verizon should also be applied to Pacific Bell. In D.99-11-050, the Commission set forth a reexamination process for Pacific Bell. Using that process, the Commission updated Pacific Bell's UNE rates in D.04-09-063. CALTEL requested at the PHC on April 25, 2006, that the Commission consider enlarging

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<sup>1</sup> An outline of CALTEL's proposal is set forth in its November 22, 2005 "Motion for Clarification and for Consideration of Issues Regarding Process for Future Modification of Verizon's UNE Rates."

the scope of this case to consider applying any streamlined reexamination process to both Verizon and Pacific Bell. CALTEL's proposal will save resources by queuing up the issue of whether and how to streamline the UNE ratesetting process for both Verizon and Pacific Bell at once. Therefore, this ruling provides notice to Pacific Bell and other parties that the Commission will consider this issue in this proceeding. Pacific Bell should file comments according to the schedule below if it wishes to be heard on this issue. Because consideration of the issue for Pacific Bell would be a modification to D.99-11-050, this ruling will be served on the service list used for that decision as well as the service list from Pacific Bell's 2001/2002 Reexamination proceeding (Application 01-02-024 and consolidated cases.)

### **Schedule**

The schedule for this proceeding is as follows:

June 13, 2006	<ol style="list-style-type: none"><li>1. Verizon files and serves its true-up calculations on all parties in the Verizon UNE phase.<sup>2</sup></li><li>2. Verizon and other parties file and serve:<ol style="list-style-type: none"><li>a. proposals for payment of true-up amounts, including payment options,</li><li>b. proposed criteria to determine if carriers are competitively harmed or undergo financial hardship due to true-up payments, and</li><li>c. proposals for reexamination of UNE rates.</li></ol></li></ol>
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<sup>2</sup> Verizon may file its calculations along with a motion for confidential treatment of these true-up amounts since carriers may be concerned that billing information would reveal competitively sensitive information. Verizon should provide workpapers supporting its calculations to other parties and respond to discovery requests within one week. If disputes remain after one week, parties should use the Commission's Law and Motion process to address outstanding requests.

July 14, 2006	Reply Comments
August 1, 2006	Rebuttal Comments and submittal of case
October 30, 2006	Draft Decision

Therefore, **IT IS RULED** that:

1. The scope and schedule for this phase of Rulemaking (R.) 93-04-003/ Investigation (I.) 93-04-0002 are set forth in this ruling.
2. Pacific Bell Telephone Company (d/b/a AT&T) and other parties are hereby given notice and opportunity to be heard in this phase on the issue of whether the reexamination process adopted for Pacific Bell in Decision (D.) 99-11-050 should be revised.
3. In addition to service to the "Verizon UNE Phase" service list, this ruling shall be served on the "OANAD" phase service list used for D.99-11-050 in R.93-04-003/I.93-04-002 and the service list for Application 01-02-024.

Dated May 15, 2006, at San Francisco, California.

/s/ DOROTHY J. DUDA

Dorothy J. Duda  
Administrative Law Judge

## **CERTIFICATE OF SERVICE**

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Setting Scope and Schedule and Providing Notice and Opportunity to be Heard to Pacific Bell Telephone Company on all parties of record in this proceeding and in Application 01-02-024 or their attorneys of record.

Dated May 15, 2006, at San Francisco, California.

/s/ FANNIE SID

Fannie Sid

## **N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.